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August 22, 2007

VIA ELECTRONIC MAIL AND MESSENGER DELIVERY

Mr. Peter M. Felitti
Assistant Regional Counsel
US EPA – Region 5
Mail Code: C-14J
77 West Jackson Boulevard
Chicago, IL 60604-3590

**Re: North Shore Gas Company
Access Agreements for Settlement Agreement Sites
Update and Request for Additional Response Period**

Dear Peter:

On behalf of North Shore Gas Company (“North Shore Gas”), I write in regard to the recent Administrative Settlement Agreement and Order on Consent (“Settlement Agreement”) entered into between USEPA and North Shore Gas and North Shore Gas’ obligation thereunder to use its best efforts to obtain access agreements with site owners. This letter will provide you with an update regarding the status of our communications and negotiations with site owners. Further, we request additional time to continue our negotiations with owners.

On August 17, 2007, we provided notice and proposed access agreements to owners of properties located within or near the former Waukegan sites subject to the Settlement Agreement and where action under the Settlement Agreement may be required. We are still trying to reach one owner who has changed addresses. We have received initial verbal comments from two owners and are still awaiting comments from the other owners.

We request an additional 30 days in which to continue negotiations with these owners.

Sincerely,

Stephen H. Armstrong

SHA/bab

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